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particular value to working women. The most important problem which the editors of such a series necessarily face is that of getting the studies to the attention of the workers. The value of the studies to students is quite apparent. Their utility in the direction for which they were intended may well be called into question.

SUFFERN, ARTHUR E. *Conciliation and Arbitration in the Coal Industry of America.* Pp. xvii, 376. Price, \$2.00. Boston: Houghton, Mifflin Company, 1915.

The author has attempted to cover in an historic and constructive manner the chief incidents leading up to conciliation and arbitration in the various coal fields of the United States. The book is well written. Authors are quoted at length; many passages bear the earmarks of fine scholarship. The style is clear and flowing. The treatment is sufficiently general to be interesting and suggestive, and at the same time so detailed as to satisfy the inquirer regarding the minor incidents to which the work relates. Although the author displays a strong sympathy for the laborers' side of the case, the reader cannot help feeling that the sympathy is justified, in view of the conditions which the book portrays

#### MONEY, BANKING AND FINANCE

LYON, HASTINGS. *Principles of Taxation.* Pp. v, 133. Price, 75 cents. Boston: Houghton, Mifflin Company, 1914.

In his introduction, the author frankly acknowledges that he may be prejudiced, but urges his readers to consider his arguments. He is equally frank throughout his brief but excellent discussion. Disagreement with some of his conclusions by no means implies a lack of appreciation.

His argument rests on two principles as the bases of taxation, viz., "the cost of performing the public service to pay for which the tax is levied, and ability to bear the public burden." Cost of service, it is urged, is better than a benefit theory, since benefits are subjective and incapable of measurement. Moreover, most persons usually mean *cost* when they say *benefit*—a contention with which the reviewer agrees. A proper allocation of cost being frequently difficult and often impossible, ability to pay must in practice be used to supplement it. Faculty, however, also presents difficulties and cannot in practice be determined with accuracy. Income as a measure is very faulty because of the differences between earned and unearned and between continuous and fortuitous income.

Market price of property is a much better faculty test than income, because it makes allowance for risk. Properties, however, differ in many important particulars and should not be taxed at the same rate. Especially should property be distinguished from debts which are not wealth and do not create wealth. Taxing credits is not taxing wealth, but a method of doing business. Moreover, the tax is usually shifted from creditor to debtor. The difficulties are increased because residents of one community often own wealth located in another. Conflict of interest among communities often results in unjust double and multiple taxation which is proving especially burdensome to corporations doing an inter-

state business. Local assessors are partial and hence objectionable, central control of tax machinery is favored and arguments are advanced against the single tax and the increment tax, even the unearned increment.

To many of the arguments in the treatment no one will object. That there are weaknesses in the modern income tax must be acknowledged, and we can all agree to the author's criticism of the injustices resulting from double taxation. At the present time, however, destructive criticism is insufficient. Increasing public expenditures and a realization of the injustice of many phases of our present system (including those mentioned by the author) make constructive suggestions imperative. Except in a few particulars, these have not been presented. It is true that economic interest is urged (p. 88) as a solution for the evils of double taxation, but no method of determining that interest in each community is presented.

In one important particular, also, the author is at variance with most modern writers and that is in his failure to provide for progressive taxation. The principle of progression is becoming fully interwoven in our modern systems, especially in the income tax and the inheritance tax, yet no allowance is made for it. In one passage (p. 58) there is a suggestion that might even be interpreted as opposition to the entire idea. In this paragraph the author points out that a tariff on luxuries is a tax on productive consumption and that unproductive consumption decreases ability to pay and then adds: "Assuming that labor will in the long run shift the incidence of a tax on necessities from a tax on consumption to a tax on production in the form of higher wages, the consumption of necessities comes nearer being an index of ability to pay than a tax on luxuries."

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CHEN, SHAO-KWAN. *The System of Taxation in China in the Tsing Dynasty, 1644-1911.* Pp. 118. Price, \$1.00. New York: Longmans, Green and Company, 1914.

Dr. Chen has recognized in his study the importance of acquainting English readers with the general structure of the Chinese government as a preliminary to explaining the system of taxation. He then describes the public expenditures before discussing taxation which he takes up under the three headings, taxation of land, taxation of salt and taxation of commodities. The defects of the arrangement now in force are the scrambling for funds by the different provincial governments and the numerous opportunities for the concealment of revenues. Unfavorable conditions will be slow to disappear.

SECRIST, HORACE. *An Economic Analysis of the Constitutional Restrictions upon Public Indebtedness in the United States.* Pp. 131. Price, 40 cents. Madison: University of Wisconsin, 1914.

Professor Secrist has treated his subject by dividing it into an analysis of the constitutional restrictions on state debt and on local or municipal debt, treating each topic both historically and analytically. His conclusions are that present restraints hamper legitimate borrowing without accomplishing the desired

purpose of restraining public debt within reasonable limits. The study is a valuable one. It is to be hoped that at some date in the near future the author will be able to present a larger number of constructive suggestions, especially as to control over state debts.

SMITH, HARRY EDWIN. *The United States Federal Internal Tax History from 1861-1871.* Pp. xix, 357. Price, \$1.50. Boston: Houghton, Mifflin Company, 1914.

This volume was awarded the Hart, Schaffner and Marx prize in Class A for the year 1912. After an introductory chapter discussing the conditions prior to 1861 and the causes of the fiscal policies during the period just prior to the Civil War, the author treats his subject by devoting chapters to each of the different kinds of taxes. The last two chapters are more general, treating the influence of internal taxes on the important duties and the administration of the tax system during the period under discussion. An appendix contains a number of tables and a bibliography.

The book contains a large amount of detail; the various measures proposed in Congress being analyzed, their provisions presented and their progress traced. This plan is extended even to many measures which finally failed of passage and in some instances to bills which do not seem to the reviewer important enough for such extended treatment. The treatment is thorough and painstaking, but the reader must follow the subject matter very carefully to grasp the thread of the discussion amid the mass of detail. This failure to interpret the material presented is illustrated by the criticisms at the close of the second chapter dealing with the direct tax. In view of the preceding description, the criticism seems very brief and very mild.

Criticisms are, however, ungracious when the volume is such a valuable addition to the literature of our financial history. The very detail is important and beyond the general suggestions just made regarding method of treatment there is but little adverse comment that can be offered. Emphasis should be placed on the very valuable collection of tables in the appendix and on the admirable index.

#### SOCIOLOGY AND SOCIAL PROBLEMS

BOWEN, LOUISE DE KOVEN. *Safeguards for City Youth at Work and at Play.* Pp. xv, 241. Price, \$1.50. New York: The Macmillan Company, 1914.

For many years the author of this book has been devoting much of her time and resources to activities in aid of Chicago children. Gradually the realization dawned upon her that it was not enough to maintain the juvenile court with its probation system and permit causes of distress to work unchecked year after year. With others, therefore, Mrs. Bowen organized the Juvenile Protective Association.

The chapters in this volume, therefore, really cover a description of the conditions which have been brought to her attention, together with an account of the methods adopted to try to meet the situation. We thus have chapters dealing